Remarks by Vice-President Dombrovskis at the ECOFIN press conference

Thank you, Vladislav.

First of all, let me congratulate the Bulgarian Presidency on the general approach reached on the 2016 Banking package.

This package is a key deliverable for risk reduction in our banking sector. It aims to complete the post-crisis regulatory agenda, address the outstanding issues for financial stability, and introduce internationally agreed standards in EU legislation. When implemented, it will help to make the European banking sector more resilient towards possible shocks.

Let me remind you of some concrete decisions and proposals contained in this package:

We are introducing a binding leverage ratio of 3% for all banks, and a higher ratio for global systemically important banks.

We are asking banks to build up bail-inable buffers, so in case there are problems with banks it is the banks' creditors, not taxpayers, who are first in line to cover the losses. This includes an agreement on so-called total loss absorbing capacity (TLAC), with which the largest banks will have to comply. And actually we are going beyond the international minimum by setting out that they have to have a TLAC of at least 8% of their balance sheet.

To ensure that banks hold sufficient liquid assets to withstand periods of market turbulence, we introduce a net stable funding ratio.

And we are also ready to follow up the work on the Fundamental Review of the Trading Book (FRTB), starting with a reporting requirement, when the work in the Basel Committee will be completed.

I would also highlight that this package also includes the principle of proportionality, with certain alleviations for smaller banks to reduce their reporting requirements and the related administrative burden.

Today's deal is an important milestone and provides the Council Presidency with the mandate to start negotiations with the European Parliament.

So now we would invite the European Parliament to define their negotiation position as soon as possible, in view of a swift agreement on the file.

Today's deal is also crucial in the context of further work to prepare decisions on completing the Banking Union in June. So there we need to move ahead with the concepts agreed in the Roadmap, both on risk reduction and risk sharing, as the Minister already outlined.

Then, as regards our anti-tax avoidance agenda, we welcome that Ministers gave the final green light this morning on the EU’s new tax transparency rules for tax intermediaries.

These rules will come into force in 2020 and will provide more transparency on the role of intermediaries who sell products and tax structures that can potentially help clients to avoid tax.

Unfortunately Member States were not able to reach agreement on new rules to strengthen cooperation between EU countries in the area of value added tax.

To recall, every year EUR 50 billion are lost to tax authorities as a result of cross-border VAT fraud – and this is a cautious estimate. This fraud can also be a source for organised crime, including terrorism.

We believe that the new rules would help to address this problem by boosting cooperation and information sharing between national tax authorities and law enforcement authorities.

I hope that the final details can be ironed out, hopefully already can be reached already at next month’s ECOFIN.

Finally, on the EU’s common list of non-cooperative tax jurisdictions, as it was said, ministers decided to de-list two countries: Bahamas and St Kitts and Nevis.

This means that there are currently 7 countries on the EU list and 65 countries on the so-called grey list.

Let me reiterate once again that even though moved to the grey list, these countries are NOT out of the EU’s sights.

On the contrary, just like the other grey list constituents, they should now move from words to action, and change their legislation to meet the EU criteria to which they have committed. We will be monitoring this very closely. And if they do not make the promised change, they may find themselves back on the blacklist again.

Thank you very much.